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TO: Yvonne Anthony, Director
Department of Health and Wellness Promotion

FROM: Irvin Corley, Jr., Fiscal Analysis Director **2g.**

DATE: April 29, 2011

RE: 2011-2012 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2011-2012 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions by **Tuesday, May 10, 2011**. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Thomas Lijana, Finance Director
Floyd Stanley, Budget Director
Donna McAlister, Budget Manager
Denise Gardner, Mayor's Office

Department of Health and Wellness Promotion (25)

FY 2011-2012 Budget Analysis by the Fiscal Analysis Division

Summary

The Health and Wellness Department is a General Fund agency. However, 86% of the department's funding comes from state and federal funds.

The mission of the Health and Wellness Department is to provide and assure the delivery of health services, which promote health, well-being, prevention and control the spread of disease. The department operates the Herman Kiefer Health Complex that includes a primary care center, three other primary care centers throughout the city, the Animal Control Center, and is responsible for the Food Sanitation Program.

The recommended 2011-2012 budgeted operating appropriations total \$75.3 million, an \$8.3 million decrease over the current fiscal year. The department's 2011-2012 net tax cost is \$4.8 million, and decrease of \$2.6 million, over the current fiscal year's net tax cost.

The budget recommends a net decrease of 39 positions - 26 general fund and 13 grant funded - for a recommended agency total of 252 positions.

2010-2011 Surplus/Deficit

The Mayor anticipates the Health and Wellness Department will end up with a \$3.43 million surplus. The surplus is due to vacant positions.

Overtime

The department's current year budget contains an overtime budget of \$105,200. As of March 31, 2011, \$114,264 was spent on overtime.

The recommended overtime budget for FY 2011-2012 is \$124,872.

Personnel and Turnover Savings

The department will see a net reduction of 39 positions – the gross reduction is 56, with the transfer in of 7 for finance and the recognition of 10 positions restored due to the budget amendment last June. The decrease in salary accounts is \$1.7 million.

	Budgeted Positions <u>FY 2010-</u> <u>11</u>	Filled Positions <u>3/31/2011</u>	Mayor's Budget Positions <u>FY 2011-</u> <u>12</u>	Over/(Under) Actual to <u>10/11 Budget</u>
Appropriation/Program				
Dept. of Health & Wellness Promotion (25):				
250010 Administration	8	7	9	(1)
250020 Duplication and Delivery	2	1	5	(1)
250050 Vital Records	10	9	10	(1)

250060 Biostatistics	6	5	5	(1)
00068 Administration	26	22	29	(4)
250340 Epidemiology	12	13	12	1
250345 Immunization - General Fund	3	4	4	1
250350 STD Control	6	4	8	(2)
00070 Communicable Disease Control	21	21	24	0
250470 Laboratory	10	13	0	3
250480 Pharmacy	6	5	0	(1)
00073 Technical Support Services	16	18	0	2
00074 Primary Family Care	2	2	0	0
250180 Public Nursing-Adm.-Community	2	3	2	1
250190 Community Nursing Svc.-Community	8	8	9	0
250200 Infant Death Reduction-Community	0	0	0	0
250210 Medicaid Screening-Community	0	5	0	5
250270 School Vision & Hearing	3	3	3	0
250700 Medical Social Work	5	5	0	0
00077 Community Health Services	18	24	14	6
00078 Substance Abuse	4	3	4	(1)
00410 Nutrition Services	5	5	6	0
10836 Lead Abatement	6	6	4	0
10889 Grace Ross Center	7	7	0	0
10890 Northeast Center	7	4	0	(3)
10892 Herman Keifer Family Center	7	5	12	(2)
10893 Animal Control Center	23	19	23	(4)
10894 Community & Industrial Hygiene	9	8	9	(1)
10895 Food Sanitation	17	14	17	(3)
12970 WIC Supplemental Food 9/2011	67	54	0	(13)
12975 Childhood Lead Prev CDC 6/2011	4	3	0	(1)
12976 Childhood Lead (MDCH) 9/2011	3	3	0	0
12984 Bio-Terrorism Emerg Prep 9/2011	2		0	(2)
12989 CSHCS Outreach & Advocacy 9/20	10	6	0	(4)
12991 Family Planning 9/2011	5	5	0	0
12994 Immunization Action Plan 9/2011	4	2	0	(2)
12996 Laboratory Svcs - STD 9/2011	3		0	(3)
12999 Local Maternal & Children BG 9/20	15	10	0	(5)
13007 STD Control 9/2011	7	6	0	(1)
13015 Healthy Start Initiative 5/2011	3	3	0	0
13253 WIC Supplemental Food 9/2012	0		58	0
13257 Food Stamp Nutrition Education 9/20	0		1	0
13259 Childhood Lead Prev-CDC 6/2012	0		3	0
13260 Childhood Lead (MDCH) 9/2012	0		3	0
13263 Bio-Terrorism Emerg Prep 9/2012	0		0	0
13266 CSHCS Outreach & Advocacy 9/20	0		10	0
13268 Family Planning 9/2012	0		6	0
13275 Immunization Action Plan 9/2012	0		2	0
13281 Laboratory Svcs - STd 9/2012	0		2	0
13282 Local Maternal & Children BG 9/2012	0		12	0
13287 STD Control 9/2012	0		8	0
13296 Healthy Start Initiative 5/2012	0		5	0
25XXXX Leave of Absence		(5)		
25XXXX Worker's Comp.		(1)		
25XXXX Unmatched Positions		<u>5</u>		

TOTAL	<u>291</u>	<u>249</u>	<u>252</u>	<u>(42)</u>
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Significant Changes in Funding

- Salary accounts have decreased by \$1.7 million due to staff reductions and benefits decrease by \$328,726.
- The medical-organizations account reflects a \$2.8 million decrease and this \$52.15 million appropriation is used to contract with the medical programs (such as the substance abuse coordination agency, Medicaid substance abuse, etc.) administered by the community health services activities.
- Other contractual services have a net decrease of \$280,000.
- Operating supplies decrease by \$893,000 primarily in medical supplies.
- Operating services including utilities decrease by \$1.8 million. This primarily is due to a decrease in purchased staff services of \$1.5 million as well as \$260,000 decrease in PLD costs.
- Miscellaneous expenses decrease by \$144,000.
- Grant contributions – cash drop by \$1 million. This \$1 million decrease is a general fund cut for the contribution to the substance abuse coordination agency.

Department of Health & Wellness Promotion (25)

Budgeted Professional and Contractual Services by Activity	FY 2010-11 Budget	FY 2011-12 Recommended	Increase (Decrease)
Administration	\$ 137,500	\$ 180,100	\$ 42,600
Personal Health Services	759,400	379,247	(380,153)
Community Health Services	53,890,665	51,625,728	(2,264,937)
Environmental Health Services	805,636	753,013	(52,623)
Clinical Support Services	<u>315,628</u>	<u>-</u>	<u>(315,628)</u>
Total	<u>\$ 55,908,829</u>	<u>\$ 52,938,088</u>	<u>\$ (2,970,741)</u>

Significant Revenue Changes

Grant revenues decrease by \$4.2 million.

City fees and revenues have a net decrease of \$1.4 million.

Issues and Questions

1. How many layoffs will occur due to the reduction of positions?
2. Can the City legally stop contributing to the substance abuse program?
3. Explain the rationale for moving all primary care to the Herman Kiefer clinic.
4. How will transferring the Accounting staff back to Health improve services?
5. Explain how closing the Laboratory improves service? What studies have been conducted by the city on Lab services? Was the recommendation that the service should be outsourced? Is it impossible to cover our costs?